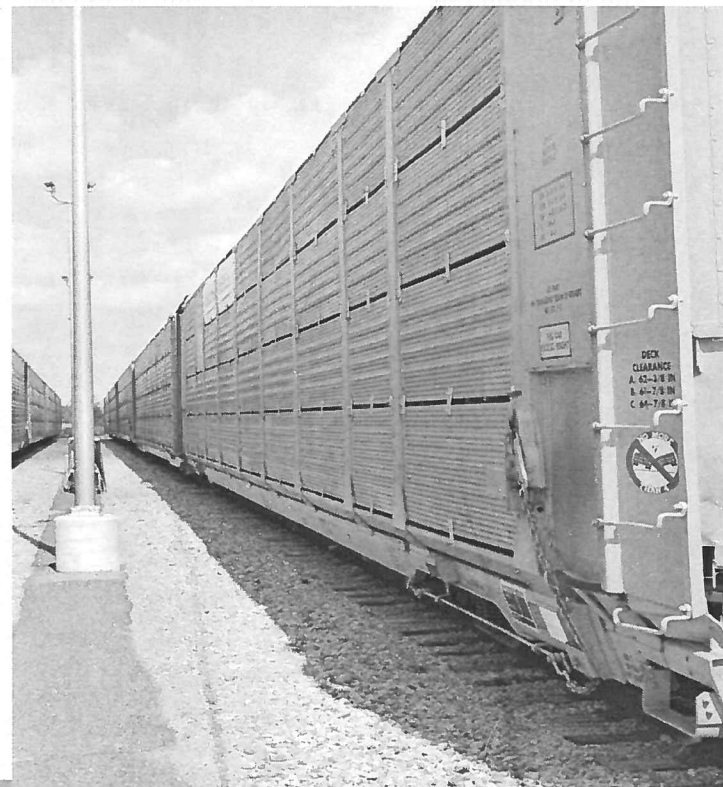


Michigan House Transportation Committee

May 9, 2017



Conrail is an integral link between Michigan and the North American freight rail network

- Conrail provides direct service with head-to-head competition among two Class 1 railroads – CSX and Norfolk Southern
- Switching and Terminal Carrier
 - 1200 miles in 3 regional areas – North Jersey/New York, South Jersey/Philadelphia, and Detroit
 - 1150 employees
- Conrail contributes to the region through employment and economic development as an environmentally friendly transportation alternative

Conrail provides safe and reliable freight transport service for Michigan businesses

- 71 companies were provided freight service in Michigan in 2016
- Over 297,000 carloads are delivered annually to these customers
 - Equivalent to over 1 million truck loads removed from area highways
 - Every ton-mile of freight moved by rail verses truck reduces greenhouse emissions by two-thirds
- Commodities delivered support a wide range of commerce from the automotive industry to housing and construction to health care

Conrail makes significant investments in Michigan that enhance safety, improve service, and expand capacity

- Over \$87 million has been invested in the last 17 years
- Additionally, over \$22 million has been invested through public-private partnerships from 2000 to 2016
- \$24 million annually is spent operating and maintaining the rail infrastructure, providing safe and reliable service

Conrail's Focus on the Future

- Managing risk associated with our operations
- Providing superior service to customers on behalf of CSX and Norfolk Southern
- Being visible in future freight/passenger rail initiatives
- Smart investments
 - Keep existing and attract new business
 - Public/Private Partnerships
 - Add capacity to enhance service
- North Yard Phase II

Conrail's Michigan Network



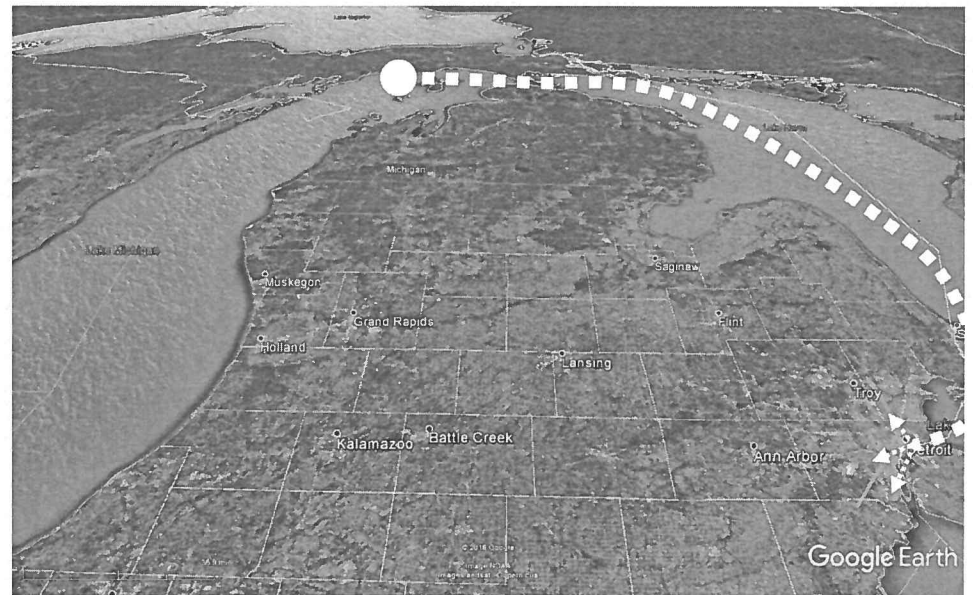
Conrail's Role In The Detroit Metro Area

- Detroit is the largest U.S.A. – Canada trade gateway by value of shipments
- Conrail is a major rail freight facilitator through this highly important gateway
- Not only does Conrail operate its own trains and those of its parents, Norfolk Southern and CSX, Conrail is also a host to Canadian National, Canadian Pacific, and Amtrak trains through the Detroit Metropolitan Area
- A fluid Conrail network plays an important role in supporting Michigan shippers and cross-border rail traffic.

Source: https://www.rita.dot.gov/bts/sites/rita.dot.gov/bts/files/publications/national_transportation_statistics/html/table_01_51.html

Local Supply Chain— Iron Ore

- Iron Ore travels via water from northern Michigan to the Detroit Area, where it then travels by train for use in the automotive industry



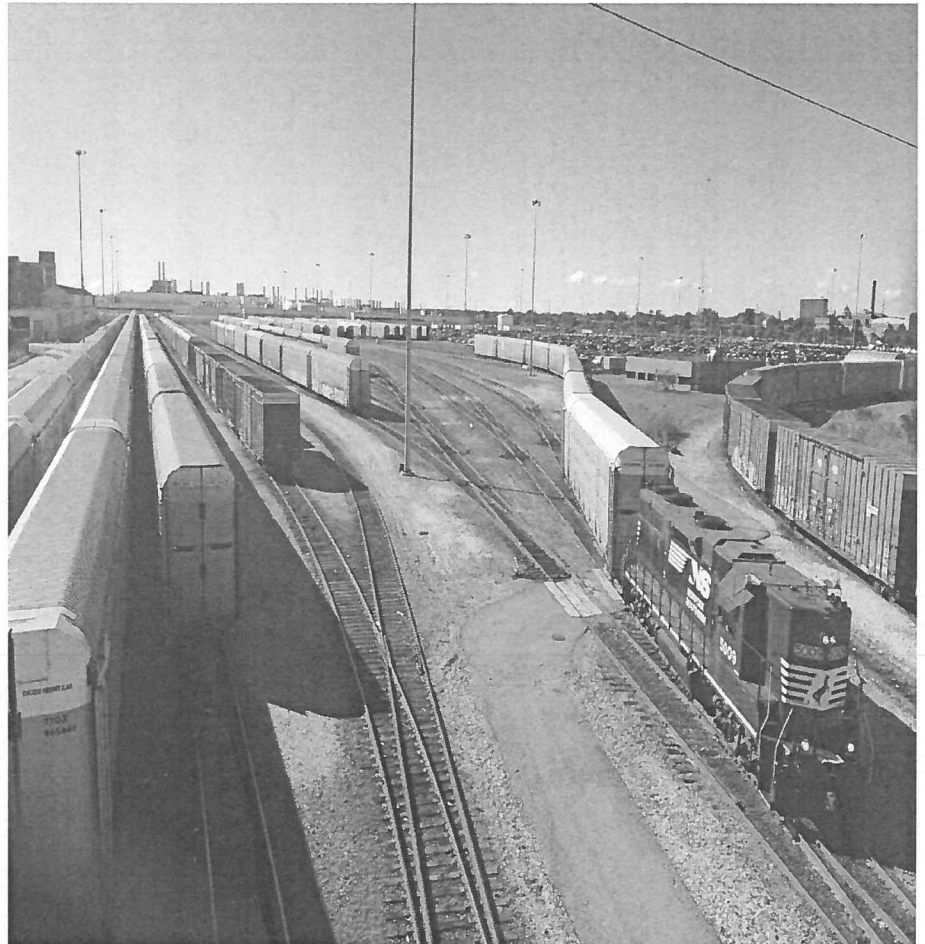
Local Supply Chain - Cement

- Cement is shipped in to Detroit via barge.
- There it is trans-loaded via rail and shipped across Michigan and the Midwest.



Local Supply Chain - Intermodal

- Conrail performs switching and dispatches trains to and from the CSX/NS Livernois Intermodal Terminal.
- These trains contain products from car engines to consumer packaged goods.



Local Supply Chain - Automotive

- Conrail plays an important part in local, national, and international automotive exports from Michigan
 - Parts
 - Vehicles

